

104TH CONGRESS
1ST SESSION

H. R. 1541

To impose economic sanctions against persons who trade with Iran.

IN THE HOUSE OF REPRESENTATIVES

MAY 2, 1995

Mr. KING introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committees on Ways and Means and Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To impose economic sanctions against persons who trade
with Iran.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Iran Foreign Sanctions
5 Act of 1995”.

6 **SEC. 2. IMPOSITION OF SANCTIONS ON PERSONS ENGAG-**
7 **ING IN TRADE WITH IRAN.**

8 (a) DETERMINATION BY THE PRESIDENT.—

1 (1) IN GENERAL.—The President shall impose
2 the sanctions described in subsection (b) if the
3 President determines in writing that, on or after the
4 date of enactment of this Act, a foreign person has,
5 with requisite knowledge, engaged in trade with Iran
6 in any goods or technology (as defined in section 16
7 of the Export Administration Act of 1979).

8 (2) PERSONS AGAINST WHICH THE SANCTIONS
9 ARE TO BE IMPOSED.—The sanctions shall be im-
10 posed pursuant to paragraph (1) on—

11 (A) the foreign person with respect to
12 which the President makes the determination
13 described in that paragraph;

14 (B) any successor entity to that foreign
15 person;

16 (C) any foreign person that is a parent or
17 subsidiary of that person if that parent or sub-
18 sidiary with requisite knowledge engaged in the
19 activities which were the basis of that deter-
20 mination; and

21 (D) any foreign person that is an affiliate
22 of that person if that affiliate with requisite
23 knowledge engaged in the activities which were
24 the basis of that determination and if that affil-
25 iate is controlled in fact by that person.

1 (b) SANCTIONS.—

2 (1) DESCRIPTION OF SANCTIONS.—The sanc-
3 tions to be imposed pursuant to subsection (a)(1)
4 are, except as provided in paragraph (2) of this sub-
5 section, as follows:

6 (A) PROCUREMENT SANCTION.—The
7 United States Government shall not procure, or
8 enter into any contract for the procurement of,
9 any goods or services from any person described
10 in subsection (a)(2).

11 (B) EXPORT SANCTION.—The United
12 States Government shall not issue any license
13 for any export by or to any person described in
14 subsection (a)(2).

15 (C) IMPORT SANCTION.—The importation
16 into the United States of any good or service
17 from, or produced (in whole or in part) by, any
18 person described in subsection (a)(2) is prohib-
19 ited.

20 (2) EXCEPTIONS.—The President shall not be
21 required to apply or maintain the sanctions under
22 this section—

23 (A) in the case of procurement of defense
24 articles or defense services—

1 (i) under existing contracts or sub-
2 contracts, including the exercise of options
3 for production quantities to satisfy require-
4 ments essential to the national security of
5 the United States;

6 (ii) if the President determines in
7 writing that the person or other entity to
8 which the sanction would otherwise be ap-
9 plied is a sole source supplier of the de-
10 fense articles or services, that the defense
11 articles or services are essential, and that
12 alternative sources are not readily or rea-
13 sonably available; or

14 (iii) if the President determines in
15 writing that such articles or services are
16 essential to the national security under de-
17 fense coproduction agreements;

18 (B) to products or services provided under
19 contracts entered into before the date on which
20 the President publishes his intention to impose
21 the sanction;

22 (C) to—

23 (i) spare parts which are essential to
24 United States products or production;

1 (ii) component parts, but not finished
2 products, essential to United States prod-
3 ucts or production; or

4 (iii) routine servicing and mainte-
5 nance of products, to the extent that alter-
6 native sources are not readily or reason-
7 ably available;

8 (D) to information and technology essen-
9 tial to United States products or production; or

10 (E) to medical or other humanitarian
11 items.

12 (c) SUPERSEDES EXISTING LAW.—The provisions of
13 this section supersede the provisions of section 1604 of
14 the Iran-Iraq Arms Non-Proliferation Act of 1992 (as con-
15 tained in Public Law 102–484) as such section applies to
16 Iran.

17 **SEC. 3. WAIVER AUTHORITY.**

18 The provisions of section 2 shall not apply if the
19 President determines and certifies to the appropriate con-
20 gressional committees that Iran—

21 (1) has substantially improved its adherence to
22 internationally recognized standards of human
23 rights;

24 (2) has ceased its efforts to acquire a nuclear
25 explosive device; and

1 (3) has ceased support for acts of international
2 terrorism.

3 **SEC. 4. REPORT REQUIRED.**

4 Beginning 60 days after the date of enactment of this
5 Act, and every 90 days thereafter, the President shall
6 transmit to the appropriate congressional committees a re-
7 port describing—

8 (1) the nuclear and other military capabilities
9 of Iran; and

10 (2) the support, if any, provided by Iran for
11 acts of international terrorism.

12 **SEC. 5. DEFINITIONS.**

13 As used in this Act:

14 (1) ACT OF INTERNATIONAL TERRORISM.—The
15 term “act of international terrorism” means an
16 act—

17 (A) which is violent or dangerous to
18 human life and that is a violation of the crimi-
19 nal laws of the United States or of any State
20 or that would be a criminal violation if commit-
21 ted within the jurisdiction of the United States
22 or any State; and

23 (B) which appears to be intended—

24 (i) to intimidate or coerce a civilian
25 population;

1 (ii) to influence the policy of a govern-
2 ment by intimidation or coercion; or

3 (iii) to affect the conduct of a govern-
4 ment by assassination or kidnapping.

5 (2) APPROPRIATE CONGRESSIONAL COMMIT-
6 TEES.—The term “appropriate congressional com-
7 mittees” means the Committees on Banking, Hous-
8 ing, and Urban Affairs and Foreign Relations of the
9 Senate and the Committees on Banking and Finan-
10 cial Services and International Relations of the
11 House of Representatives.

12 (3) FOREIGN PERSON.—The term “foreign per-
13 son” means—

14 (A) an individual who is not a United
15 States national or an alien admitted for perma-
16 nent residence to the United States; or

17 (B) a corporation, partnership, or other
18 nongovernment entity which is not a United
19 States national.

20 (4) IRAN.—The term “Iran” includes any agen-
21 cy or instrumentality of Iran.

22 (5) NUCLEAR EXPLOSIVE DEVICE.—The term
23 “nuclear explosive device” means any device, wheth-
24 er assembled or disassembled, that is designed to
25 produce an instantaneous release of an amount of

1 nuclear energy from special nuclear material that is
2 greater than the amount of energy that would be re-
3 leased from the detonation of one pound of trinitro-
4 toluene (TNT).

5 (6) REQUISITE KNOWLEDGE.—The term “req-
6 uisite knowledge” means situations in which a per-
7 son “knows”, as “knowing” is defined in section 104
8 of the Foreign Corrupt Practices Act of 1977 (15
9 U.S.C. 78dd-2).

10 (7) STATE.—The term “State” means each of
11 the several States, the District of Columbia, the
12 Commonwealth of Puerto Rico, the Commonwealth
13 of the Northern Mariana Islands, American Samoa,
14 Guam, the United States Virgin Islands, and any
15 other territory or possession of the United States.

16 (8) UNITED STATES.—The term “United
17 States” means the several States, the District of Co-
18 lumbia, the Commonwealth of Puerto Rico, the Com-
19 monwealth of the Northern Mariana Islands, Amer-
20 ican Samoa, Guam, the United States Virgin Is-
21 lands, and any other territory or possession of the
22 United States.

23 (9) UNITED STATES NATIONAL.—The term
24 “United States national” means—

1 (A) a natural person who is a citizen of the
2 United States or who owes permanent alle-
3 giance to the United States;

4 (B) a corporation or other legal entity
5 which is organized under the laws of the United
6 States, any State or territory thereof, or the
7 District of Columbia, if natural persons who are
8 nationals of the United States own, directly or
9 indirectly, more than 50 percent of the out-
10 standing capital stock or other beneficial inter-
11 est in such legal entity; and

12 (C) any foreign subsidiary of a corporation
13 or other legal entity described in subparagraph
14 (B).

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